

RECORDATION NO. 27240 FILED

NOV 27 '07 -8 30 AM

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WASHINGTON, D.C.

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

20036

OF COUNSEL  
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November 27, 2007

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease of Railroad Equipment No. 5 and Indemnity Agreement No. 5, dated as of November 15, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Bank of Nova Scotia  
44 King Street West  
Toronto, Ontario  
Canada M5H 1H1

Lessee: Canadian National Railway Company  
935 de la Gauchetiere Street West  
Montreal, Quebec  
Canada H3B 2M9

Mr. Vernon A. Williams  
November 27, 2007  
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A description of the railroad equipment covered by the enclosed document is:

28 SD70M-2 locomotives: CN 8822 - CN 8849; AND  
10 ES44DC locomotives: CN 2255 - CN2264.

A short summary of the document to appear in the index is:

Memorandum of Lease of Railroad Equipment No. 5 and Indemnity Agreement No. 5.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal stroke extending to the right.

Robert W. Alvord

RWA/sem  
Enclosures

NOV 27 '07 -8 30 AM

(CN / BNS No. 5)

SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT  
NO. 5 AND INDEMNITY AGREEMENT NO. 5** dated as of  
November 15, 2007 between **CANADIAN NATIONAL  
RAILWAY COMPANY**, a corporation continued under the laws  
of Canada (hereinafter called the **Lessee**), and **THE BANK OF  
NOVA SCOTIA**, a Canadian chartered bank (hereinafter called  
the **Lessor**).

**WHEREAS**, the Lessee and the Lessor are entering into that certain Lease of Railroad Equipment No. 5 dated as of the date hereof (hereinafter the **Lease**) covering (i) twenty-eight (28) SD70M-2 locomotives and (ii) ten (10) ES44DC locomotives, all as more particularly described on Schedule A hereto, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor (hereinafter the **Locomotives**);

**WHEREAS**, the Lessee and the Lessor are entering into that certain Indemnity Agreement No. 5 dated as of the date hereof (hereinafter the **Indemnity**) relating to the Lease and the Locomotives;

**WHEREAS**, the terms and conditions of the Lease and the Indemnity are incorporated by reference in this Memorandum as if fully set forth herein;

**AND WHEREAS**, this Memorandum has been entered into for the purpose of satisfying the requirements for i) recordation with the Surface Transportation Board of the United States of America under Section 11301 of Title 49 of the *United States Code* and ii) deposit with the Registrar General of Canada under Section 105 of the *Canada Transportation Act*.

**IN WITNESS WHEREOF**, the parties wish to show for the public record, among other things, the ownership of the Locomotives by the Lessor, the leasehold interest therein of the Lessee and the rights of the Lessee from time to time to purchase the Locomotives or to renew the Lease and, accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the day and year first above written.

**CANADIAN NATIONAL RAILWAY COMPANY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Sr. Manager, Asset Finance

**THE BANK OF NOVA SCOTIA**

By: \_\_\_\_\_

Its: \_\_\_\_\_

(CN / BNS No. 5)

**MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT NO. 5 AND INDEMNITY AGREEMENT NO. 5** dated as of November 15, 2007 between **CANADIAN NATIONAL RAILWAY COMPANY**, a corporation continued under the laws of Canada (hereinafter called the **Lessee**), and **THE BANK OF NOVA SCOTIA**, a Canadian chartered bank (hereinafter called the **Lessor**).

**WHEREAS**, the Lessee and the Lessor are entering into that certain Lease of Railroad Equipment No. 5 dated as of the date hereof (hereinafter the **Lease**) covering (i) twenty-eight (28) SD70M-2 locomotives and (ii) ten (10) ES44DC locomotives, all as more particularly described on Schedule A hereto, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor (hereinafter the **Locomotives**);

**WHEREAS**, the Lessee and the Lessor are entering into that certain Indemnity Agreement No. 5 dated as of the date hereof (hereinafter the **Indemnity**) relating to the Lease and the Locomotives;

**WHEREAS**, the terms and conditions of the Lease and the Indemnity are incorporated by reference in this Memorandum as if fully set forth herein;


**AND WHEREAS**, this Memorandum has been entered into for the purpose of satisfying the requirements for i) recordation with the Surface Transportation Board of the United States of America under Section 11301 of Title 49 of the *United States Code* and ii) deposit with the Registrar General of Canada under Section 105 of the *Canada Transportation Act*.

**IN WITNESS WHEREOF**, the parties wish to show for the public record, among other things, the ownership of the Locomotives by the Lessor, the leasehold interest therein of the Lessee and the rights of the Lessee from time to time to purchase the Locomotives or to renew the Lease and, accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the day and year first above written.

**CANADIAN NATIONAL RAILWAY COMPANY**

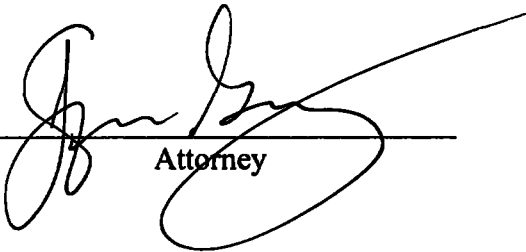
By: \_\_\_\_\_  
Its: Sr. Manager, Asset Finance

**THE BANK OF NOVA SCOTIA**

By:   
Its: DIRECTOR, SCOTIA LEASING

PROVINCE OF QUEBEC            )  
  )  
DISTRICT OF MONTREAL        )       ss.:

On this 22<sup>nd</sup> day of November, 2007, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is Sr. Manager, Asset Finance of CANADIAN NATIONAL RAILWAY COMPANY, that the instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

  
\_\_\_\_\_  
Attorney

Bar Number: 188726-2

PROVINCE OF ONTARIO        )  
  )  
CITY OF TORONTO            )       ss.:

On this \_\_\_\_\_ day of November, 2007, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he / she is \_\_\_\_\_ of THE BANK OF NOVA SCOTIA, that the instrument was signed on behalf of said bank by authority of its board of directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

PROVINCE OF QUEBEC                    )  
  )       ss.:  
DISTRICT OF MONTREAL                )

On this \_\_\_\_ day of November, 2007, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is Sr. Manager, Asset Finance of CANADIAN NATIONAL RAILWAY COMPANY, that the instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

\_\_\_\_\_  
Attorney

Bar Number: 188726-2

PROVINCE OF ONTARIO                )  
  )       ss.:  
CITY OF TORONTO                    )

On this 23<sup>RD</sup> day of November, 2007, before me personally appeared STEVE CIEGEL, to me personally known, who, being by me duly sworn, says that he / she is DIRECTOR, SCOTIA LEARNING of THE BANK OF NOVA SCOTIA, that the instrument was signed on behalf of said bank by authority of its board of directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

  
\_\_\_\_\_  
Notary Public

My commission expires:

AT THE PLEASURE OF THE CROWN



## SCHEDULE A

### Equipment Description

- 28 SD70M-2 4,300 h.p. DC diesel-electric locomotives built by Electro-Motive Canada Co. (a subsidiary of Electro-Motive Diesel, Inc.) in 2007 bearing the following marks and numbers:

CN 8822 to CN 8849 inclusive; and

- 10 ES44DC 4,360 h.p. DC diesel-electric locomotives built by General Electric Company in 2007 bearing the following marks and numbers:

CN 2255 to CN 2264 inclusive.